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WESTERN STATES BEAN COOPERATIVE

a Joint Sales Agency

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AGRICULTURE

by H. M. Bain

FCS Circular 7

UNITED STATES DEPARTMENT OF AGRICULTURE
FARMER COOPERATIVE SERVICE
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THE Farmer Cooperative Service conducts research studies and service activities of assistance to farmers in connection with cooperatives engaged in marketing farm products, purchasing farm supplies, and supplying business services. The work of the Service relates to problems of management, organization, policies, financing, merchandising, quality, costs, efficiency, and membership.

The Service publishes the results of such studies; confers and advises with officials of farmers' cooperatives; and works with educational agencies, cooperatives, and other in disseminating information on cooperative principles and practices.

Joseph G. Knapp,
Administrator,
Farmer Cooperative Service.

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SUMMARY

UNTIL a few years ago practically all beans purchased by buyers at centers of distribution were in carlots of a single variety. Increasingly, however, buyers are purchasing relatively small quantities and trying to obtain these supplies at a single source. Thus, it has been more and more necessary for cooperatives to make mixed-car and assorted-car shipments as well as to handle a complete line of beans.

Cooperatives in the Intermountain States sought to meet the changing conditions at the markets by forming a cooperative joint sales agency which they would own, operate and control. The joint sales agency, Western States Bean Cooperative, was organized in July 1947 with headquarters at Denver, Colo.

Under the plan of operation agreed upon, the joint sales agency conducts all negotiations with prospective buyers regarding sales, thereby dispensing with the sales departments previously maintained by the six member cooperatives. When sales are consummated, Western States does the billing and makes collections; it maintains stocks of beans handled by its member cooperatives as well as limited supplies of other varieties at Denver for mixed-car and assorted-car shipments; and it carries stocks of the several varieties of beans at several of the important centers of distribution for prompt filling of buyers' orders.

An early development in the program was the decision of the cooperative's board to sell beans in consumer packages. This phase of the business has been limited thus far, representing only about 1 percent of total sales. Steps have been taken to greatly expand it, and a fully automatic packaging machine has been installed at the cooperative's recently acquired warehouse at Denver.

The joint sales agency has been in operation for 7 years, and its volume has grown to about 700,000 bags annually. It has performed an increasingly valuable service for its member cooperatives and it has operated economically. Its financial structure is sound and its relations with the trade are excellent.

As the market situation has become more complex, the dry bean cooperatives' nationwide need for a national sales agency has increased. Furthermore, the successful operation of Western States as a regional has encouraged the cooperatives to believe a national sales agency can be similarly successful. The National Federation of Bean and Pea Marketing Associations was formally organized in 1953. It is planned to inaugurate the National's program at certain selected markets at the outset, and to expand as seems necessary and desirable.

Western States Bean Cooperative —A Joint Sales Agency

by Henry M. Bain
Special Crops Branch, Marketing Division

SIX dry bean marketing associations in Colorado, Idaho, Wyoming and Montana own and control Western States Bean Cooperative, Denver, Colo., as a joint sales agency. In turn the associations are owned and controlled by some 6,000 producers of Pinto and Great Northern beans in those states. Some of the member associations handle agricultural products other than beans, and all of them handle farm supplies such as fertilizer and petroleum products.

Organized in July, 1947, Western States began operations with that year's bean crop. The cooperative marketing associations which participated in the organization of Western States and became members at the time of its incorporation are: The Farmers' Grain and Bean Association, Denver, Colo.; Bean Growers' Warehouse Association, Inc., Twin Falls, Idaho; Big Horn Cooperative Marketing Association, Basin, Wyo.; Wyoming Pure Seed Growers, Inc., Worland, Wyo.; and the Farmers' Union Grain and Supply Company, Billings, Mont. The Mini-Cassia Marketing Cooperative, Rupert, Idaho, became a member in 1948.

Previously each of the member associations had employed a sales staff and conducted its marketing operations without any relation to sales and distribution programs of the others.

This resulted in considerable confusion because the cooperatives frequently found themselves competing with each other in efforts to make sales. Not only did the individual, uncoordinated sales activities contribute to unsatisfactory cooperative relations at the markets, but it also confused wholesale grocers, brokers and distribution agencies. Furthermore, costs and expenses incurred by the marketing services of the independent cooperatives represented a sizeable outlay, some of which could be reduced or eliminated through an efficient joint sales program.

Many outside the cooperatives involved—dry bean buyers and others at the markets—suggested that if cooperatives operated their own joint sales agency, it would contribute materially to greater stability in market conditions and prove helpful to the trade.

These views were confirmed by the results of a survey [1] in the fall of 1948 by the Cooperative Re-

[1] Bain, H. M. Brokers' Comments and Opinions with Reference to Marketing Dry Beans and Dry Peas. U. S. Farm Credit Admin. Spec. Rpt. 208. 19 pp. 1950 (Mimeographed).

search and Service Division of Farm Credit Administration, now the Farmer Cooperative Service. The study sought the comments and opinions of dry bean brokers throughout the country regarding the advantages in having available at a single source, such as a cooperative joint sales agency, supplies of the several varieties of beans usually sold at their markets.

Over 80 percent of the replies favored the idea and many referred to specific advantages to brokers. Replies from widely scattered markets, for example, stated that a more stable market and an even flow of shipments into the market throughout the year were among the advantages of such a plan. Some of the brokers declared that it would enable them to give customers better service, reduce cost of delivery and increase sales. Others were of the opinion it would permit reduction in inventory, facilitate quicker turnover and enable brokers to build brand preference for a complete line.

In this generally favorable trade attitude the bean marketing cooperatives' joint sales program had its inception and its continuing development.

Early Cooperative Effort

THE organization of Western States Bean Cooperative was not the first attempt on the part of dry bean marketing cooperatives to set up their own organization for the purpose of coordinating their sales and distribution activities.

The National Bean Marketing Cooperative, for example, was organized in 1930. Its primary purpose was to assist producers of dry beans in more effectively directing and controlling the marketing of their beans. A statement issued at the time of its organization declared that the National Bean Marketing Association:

"* * * provides a medium for unity of effort by bean growers, to the end that bean growing will be placed on a basis of economic equality with other industries * * *. The National is endowed with broad powers which will enable it to carry out its objects and purposes * * *."

The National's program contemplated producer membership in local and regional cooperatives, which were to be affiliated with the National.

The National never functioned as a marketing organization, although in 1930 it did disseminate among its members information relating to supply, demand and general market conditions. Some 4 years later the National had gone out of business; no reason was given.

Unquestionably the development of a country-wide marketing program of this type requires time to inform producers adequately regarding the objectives of the cooperative and how its objectives are to be accomplished. The National's program was developed within a relatively brief period. Furthermore, the task of coordinating the activities of its several participating cooperatives, located in widely separated sections of the country, presented serious marketing and distribution problems as well as problems of relationships among the cooperatives themselves.

Another effort to coordinate dry bean sales was made in 1930 by cooperatives engaged in marketing Great Northerns in Wyoming, Idaho and Montana.[2] The group sought to accomplish their objective through a contractual arrangement with a commission firm. The contract provided that the commission

[2] Renne, R. R. THE ECONOMICS OF BEAN PRODUCTION AND MARKETING IN MONTANA. Mont. Agr. Expt. Sta. Bul. 258. 47 pp. 1932.

firm was to handle the bean sales for all the cooperatives which were parties to the arrangement, and that the firm would not appear as a trader in the Great Northern territory except as a representative of the cooperatives. Through this arrangement the cooperatives hoped to eliminate competition among themselves and also to remove an independent bean marketing concern from competition. But this joint marketing program, too, was of limited duration.

Interest Continued

The failure of the earlier efforts to set up and operate their own sales agency did not cause the cooperatives to abandon the idea of such a program. In the Intermountain States, for example, the matter was the subject of numerous discussions in the late Thirties and the early Forties. At these conferences the cooperatives considered such questions as the specific functions a joint sales agency could perform, the control exercised over it by the member cooperatives, how it should be financed, and related matters.

One of the important questions considered by the group pertained to the quantity of beans each member cooperative should turn over to the joint sales agency for marketing. These associations had their own market outlets which they had been supplying for many years. The relationships had been entirely satisfactory and they wanted to be sure that either they themselves or their joint sales agency would continue to supply these outlets. Furthermore, it was not known what progress the new organization would make in establishing good working relations with the trade, and how rapidly it could develop a satisfactory sales program.

These several questions were pretty well threshed out and decisions reached when World War II came. The group then put aside its plans, but when the war was over they again started working toward their proposed program.

Dry beans were first sold regionally on a trial basis through Farmers' Grain and Bean Association, Denver, Colo. Above is one of its plants.

In 1946 the cooperatives entered into an arrangement which enabled them to gain a better idea about the probable success of a joint sales operation. Under this arrangement, each of the cooperatives allocated a specified quantity of its 1946 dry bean tonnage for sale, on an agency basis, to one of their group—The Farmers' Grain and Bean Association, Denver, Colo. This association made a good return on the beans of the other associations and results of the operation were generally satisfactory.

With this limited experience in joint selling, the cooperatives were convinced that their ideas were workable and they agreed to formally organize their joint sales agency. In the latter part of 1946 and the early months of 1947, they settled upon the form of organization, the functions to be performed, the name of their joint sales agency and the location of its headquarters.

Joint Sales Agency Organized

WESTERN States Bean Cooperative was incorporated in July, 1947 under the Cooperative Marketing Act of Colorado [3] and immediately began operation. By the date of incorporation, member cooperatives had made several important decisions regarding the new organization and its functions. For example, they had decided at the preliminary meetings that at the outset Western States would own no facilities; that it would engage in sales activities exclusively; that each member cooperative would allocate 25 percent of its average annual volume to the joint sales agency for marketing; and that additional quantities would be allocated as Western States demonstrated a larger volume could be handled efficiently. It was also agreed that the beans which were not turned over to Western States for sale would be sold by the member cooperatives through their own outlets as in the past.

The articles of incorporation declare that Western States shall be operated for the mutual benefit of the member cooperatives, and all relations with them are based upon this mutual benefit concept.

Western States is a federated, nonstock type of cooperative. The producers are members of the 6 local or state dry bean marketing associations and these constitute the membership of the joint sales agency.

Who May Be Members

Any cooperative association of dry bean producers within the territory served by Western States may become a member of the joint sales agency by (a) agreeing to patronize the cooperative, (b) paying the membership fee, and (c) complying with such other conditions as may be prescribed by the board of directors. After an application has been accepted by the board of directors and the membership fee of $100 paid, the Secretary issues a certificate of membership to the applicant. This certificate is nontransferrable. Although the present member cooperatives are located in Colorado, Idaho, Wyoming and Montana, nothing in the bylaws limits membership to associations in those states.

Functions

Western States has authority under its articles of incorporation to engage in a wide variety of activities, such as processing, canning, and packaging its members' beans; manufacturing, selling or supplying to its members machinery, equipment and farm supplies; performing a public warehousing business; and financing such activities.

Thus far, its operations have been confined to marketing its members' dry beans in bulk—that is, in 100-pound bags. However, a small portion of the association's sales each year is in consumer packages. Up to the present time, sales of this type have amounted to less than 1 percent of the total sales. Under contractual arrangement, one of the member associations has been packaging a small quantity of beans for Western States each year under the trade name "OUTWEST". Consumer demand for dry beans in packages continues to increase, and the cooperative has broadened the scope of its activities to enable it to meet this demand more effectively.

The selling function embraces such activities as storing limited quantities of beans at Denver to facilitate mixed car shipments; carrying spot stocks at a few important

[3] 1935 Colorado Statutes, Annotated, Chapt. 106, Art. 2.

markets in order to more promptly fill orders; making available to prospective purchasers by telephone, correspondence and personal visits the latest information regarding beans the association has for sale, the price, and related information; and keeping member associations abreast of market trends and conditions through daily telephone reports and frequent contacts.

In 1953 the cooperative acquired the building in Denver in which its offices have been located from the beginning. It plans to use the building not only for warehousing operations but also for packaging dry beans.

Member Cooperatives

THE member associations are organized under the cooperative marketing law of the State in which they operate, with the exception of the Farmers' Union Grain and Supply Company at Billings, Mont. The Association at Billings is a branch of the Farmers' Union Grain and Supply Company at Williston, N. D., which is incorporated under the Cooperative Marketing Act of Minnesota.

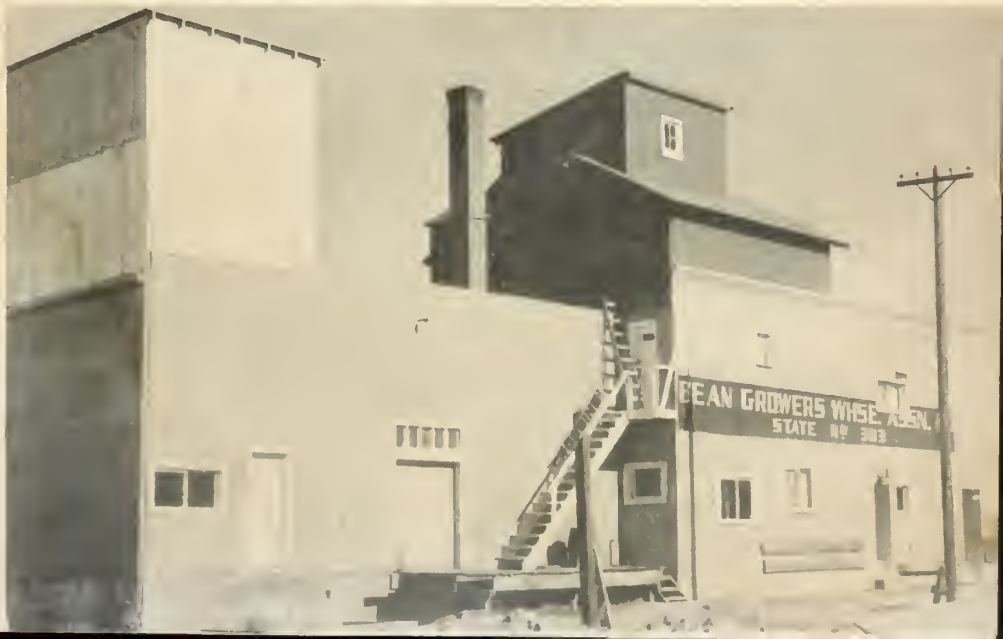
Serve Important Producing Area

The U. S. Department of Agriculture lists 13 States as the principal source of this country's commercial bean crop. However, six of these produce about 90% of the total crop each year. Three of the States in which the member associations operate—Colorado, Idaho, and Wyoming—are among the 6 leaders, and each year produce more than 5 million bags of beans, or a little over 30 percent of the average United States bean crop.

The States which produce dry beans commercially tend to specialize in growing particular commercial classes or varieties. The principal varieties are Pintos, Great Northerns, Pea Beans, Small Whites, Red Kidneys, Limas, Small Reds and Blackeyes.

The member associations of Western States operate only in the States which are large producers of Pintos, Great Northerns and Small Reds. Thus Colorado produces over half of the Pintos grown in this country. Idaho, Wyoming and Montana are

Idaho grows half U. S. production of Small Red beans which are largely consumed in South and Southwest. Local farmers bring their beans to such plants as that of the Bean Growers Warehouse Association, Hazelton, Idaho.



principal sources for Great Northerns, and Idaho produces about half of the Small Reds.

The several varieties of beans differ from each other in size, shape, color and flavor and appeal to different tastes and preferences. Roughly, 40 percent of the beans grown in the United States are white beans; 44 percent are colored; and 16 percent are Limas. Generally, white beans, such as Great Northerns, are consumed more extensively in the Northern States, whereas Pintos and most other colored varieties are distributed principally in the South and Southwestern part of the country.

Income From Beans

Although dry beans represent only about 1 percent of the gross farm income from all crops produced in the United States, they are an important source of cash income to farmers in the principal bean producing States.

For example, in three States where member associations of Western States operate, the total farm income in 1953 from all farm crops and from dry beans was as follows:

State	Farm income		Dry bean percent of total
	All crops	Dry beans	
Wyoming	$33, 937, 000	$6, 064, 000	17. 83
Idaho	206, 556, 000	16, 835, 000	8. 15
Colorado	223, 162, 000	12, 415, 000	5. 55

In Montana where one of Western States' members operates, the income from dry beans was only $715,000 as compared with $193,625,000 income from all farm crops.

Processing Facilities

Western States member cooperatives have records of successful

Farmers Union Grain and Supply Co., Billings, Mont., processes farmers' beans here and in its Idaho plant.

operation extending over a period of years; their boards of directors are composed of recognized leaders in farm cooperation; and each has consistently followed a program of building effective producer support. They have given increasing attention to problems of processing and making sure that their beans are in first-class condition before they go to the consumer.

As dry beans come from the thresher, they usually contain pieces of stems and pods, pebbles, pellets of earth, as well as cracked, misformed and discolored beans. These must be removed before the beans are ready for the consumer. For the most part, Western States' member cooperatives perform this necessary processing job with their elevators in the producing areas. As a part of the processing operation, the cooperatives sometimes polish a given lot of beans which may have a slightly discolored appearance due to weather conditions. This is done with machinery, as with practically every other step in bean processing, including automatically bagging and weighing the beans when the processing is completed.

Most of the member associations maintain facilities at one or more locations in their territory in addition to the processing plants at their headquarters. Thus, the Farmers' Grain and Bean Association has facilities at 9 locations in Colorado; the Bean Growers' Warehouse Asso-

ciation has plants at 5 locations in Idaho; the Big Horn Cooperative Marketing Association has plants at 2 locations in Wyoming; the Farmers' Union Grain and Supply Company and the Mini-Cassia Marketing Cooperative both have a branch plant in Montana and Idaho, respectively. The Wyoming Pure Seed Growers has processing facilities only at its headquarters.

Producers Deliver Beans

Although some processors pick up the beans at the farm, Western States' members require their producers to deliver beans either to the main plant or the branch nearest the producer. Where the branches are not equipped to process the beans completely, they are shipped to the cooperative's central plant for processing. Such shipments are frequently made by rail.

Generally, producers deliver their beans in their own trucks; others hire truckers to perform this service for them. For the most part, beans are delivered loose in trucks just as they come from the combine, although some producers make delivery in bags. If a producer desires to use bags these are usually furnished by the cooperative. Generally no charge is made for the bags, if they are returned to the association in good condition, either filled with beans or empty.

Producers follow the practice of delivering the major portion of their crop to the cooperative during the harvesting season. When the beans are received they are put through an initial cleaning. They are then weighed and graded.

If the producer wishes to sell his beans at that time the cooperative pays him a price based upon the f. o. b. price at that particular plant location for that day. If he desires to sell them at a later date, the cooperative stores them and issues a receipt therefor. The receipt shows the producer's name and address and also the quantity and grade of beans placed in storage.

Member associations not only process farmers' beans and sell them through Western States, but handle farm supplies as well. This is the Wyoming Pure Seed Growers, Inc., plant at Worland, Wyo.

The practice of storing the beans as they are delivered at harvest time for sale at a later date enables the member cooperative to do a more efficient and complete processing job and to handle the beans in a more orderly manner. Also, feeding the beans into trade channels as required rather than "dumping" them on the market, permits Western States to do a more effective selling job.

The producer is not required to sell his beans through his cooperative, even though they were delivered to the association's plant at the time of harvest and have been

in storage there. However, before a given lot is released for disposition elsewhere the producer is required to pay the association such handling and storage costs and charges as may have accrued.

Some associations perform complete processing service on a custom basis when desired by the individual producers. In addition to processing their producers' beans and storing them pending sale, the member associations handle farm supplies such as feed, seed, petroleum products, fertilizers and other farm supplies.

Western States Operating Methods

General Sales Methods

AFTER the processing has been completed, dry beans are then ready for the consuming trade. It is at this point that Western States begins its sales and distribution job for its member cooperatives. The system of marketing dry beans is similar to that employed in marketing many other agricultural products. It includes wholesale grocers, both independent and chain store; canneries; and Governmental agencies and institutions. Whether Western States' beans are sold in 100-pound or consumer-sized bags, they are sold under its brand name, OUTWEST. The member cooperatives receive the beans during the three or four month period following harvest in the fall, and store them until shipment is requested by Western States as it makes sales during the year.

The principal methods of sale are day-to-day cash sales, consignments, and sales for future delivery. By far the greater portion of its sales are daily cash transactions. However, a substantial volume of the cooperatives' beans are sold on consignment. Since beans, like many other farm products, are purchased in relatively small lots, Western States carries limited stock of its several varieties at some of the more important markets, in order to more effectively meet the needs of the trade. Such "consigned" stocks are carried in the name of Western States and at its expense. Brokers in those areas may make sales against such stocks, remitting the sales proceeds to Western States.

Costs and charges incident to consigned stocks represent considerable cash outlay. These include not only the in-and-out handling charges but also storage charges on stocks in the warehouse. In some markets, personal property taxes are assessed against beans in storage. Western States has found that because of their availability to buyers, consigned stocks enable it to sell substantial quantities of beans which otherwise might not be sold. Despite the fact that the costs and charges are considerable, the cooperative deems it necessary to have supplies of beans available for quick delivery to the trade.

Western States sells only a limited quantity of beans for future de-

Dry beans are served on American tables every month of the year. Beans brought by farmers for storage, after harvest, are later shipped to purchaser as orders are accepted by Western States.

livery. In those cases, however, where buyers desire to make a firm commitment for their requirements for certain varieties at a future date, Western States accommodates them.

Although dry beans are frequently thought of as an article of winter diet, they are in more or less general demand at the markets of the country every month of the year. Western States' sales activities are designed to meet this situation. It is in daily contact with brokers, wholesale grocers and other marketing agencies not only by telephone and telegraph, but also by correspondence.

An indication of such monthly purchases of dry beans by marketing agencies at consuming centers was shown in a study [4] conducted under the supervision of the former Bureau of Agricultural Economics in 1948. The report showed the monthly distribution percentage of the several varieties of dry beans purchased by brokers, jobbers, distributors, wholesalers and canners. The information relating to the distribution of Great Northerns, Pintos and Small Reds is of particular significance to Western States because it emphasizes the month-to-month job confronting the joint sales agency in the sale of its members' beans. Such data is included here in Table 5 in the appendix, taken from Tables 37, 39, and 40 in U. S. Department of Agriculture Bulletin 1044.[4]

Packaged Dry Beans

The sale of foods in packaged form continues to increase, due to convenience in handling and similar consumer appeals. Dry bean sales in consumer packages within the past few years have shown a particularly marked increase.

From 1948 to 1953 Western States have packaged a small quantity of its output each year on a more-or-less experimental basis. The packaging operation was performed by the Farmers' Grain and Bean Association at an agreed cost. Western States gained a great deal of information in this trial operation which will be helpful in future operations.

For example, its limited experience in the packaging field has enabled Western States to determine just about what it will cost to do the packaging job. Furthermore, it has learned that the cellophane bag is the most satisfactory type of container, and that the 1-pound container is the size generally preferred by its bean buyers. However, larger sizes are in demand in some markets and Western States plans to place some 2-pound and 5-pound packages in certain markets.

Food Chains' Report

Early in 1948 the Cooperative Research and Service Division (now the Farmer Cooperative Service) requested the assistance of the National Association of Food Chains in developing further information on the trend toward dry beans in consumer packages. Despite the fact that this report [5] was made several years ago, it is of particular current interest, since the Association says the trend is not only continuing but is intensified among its members and affiliates. The report said:

"The companies included in the survey were selected so as to make the sample cover a substantial portion of chain food store sales of these commodities. Seven companies, large and small were queried.

[4] Phillips, Reed A., and De Loach, D. B. Marketing Edible Dry Beans and Peas. U. S. Dept. of Agr. Tech. Bul. 1044. 105 pp. 1951. Based upon a report by Alderson & Sessions under contract, as authorized by the Agr. Mar. Act of 1946.

[5] Bain, H. M. Brokers Comments and Opinions With Reference to Marketing Dry Beans and Peas. U. S. Farm Credit Admin. Spec. Rpt. 208. Feb. 1950.

A summary of their replies appears below.

"The bulk of dried edible bean sales through retail grocery and combination stores (chain) are now made in consumer size packages. Four food chain companies reported that all their sales of these commodities were in one and two pound packages. The other three companies reported they sold 75 percent, 90 percent and 95 percent of their dried beans in this manner.

"Most of the beans are packaged by the shippers. The proportion so packaged ranges from 60 to 100 percent of total bean sales of companies surveyed except for one company where 90 percent is packaged in the stores. Of the six companies stating that most of the packaging is done by the shippers, the portion not packed by the shipper is packed in the company warehouse. It is interesting to note that the one company packaging the beans in the stores is a small operator but nevertheless possesses warehouse facilities. Tabulation of the data is as follows:

Company	*In Company Warehouse*	*In Stores*	*By Bean Shippers*
No. 1	0	0	100
No. 2	0	0	100
No. 3	40	0	60
No. 4	20	0	80
No. 5	10	0	90
No. 6	10	0	90
No. 7	0	90	10

"Excepting one large operator there was agreement that cellophane was the preferred type of package. In answer to the question, 'Do you find a consumer preference for branded consumer packages of dried beans,' five companies said 'no'. Of the two companies replying 'yes' the one commented 'consumers definitely prefer an attractive branded cellophane package regardless of the brand', and the other noted 'there is always in all commodities a consumer preference for an advertised brand * * *'."

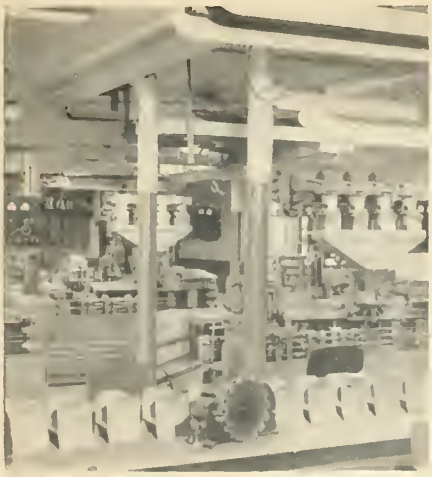
Carlot Sales

Whether Western States sales are of a single variety, assorted varieties or mixed cars, they are made in carload lots. When an order is received for a straight car of beans—that is, a carload of a single variety—Western States contacts the member association best able to fill the order. It gives the cooperative information regarding the variety and quantity desired, the price offered by the prospective purchaser, shipping instructions and other related information that the member-cooperative will need in deciding whether it wishes to make the sale. The member which accepts the offer makes shipment direct to the purchaser. At the same time it sends to Western States the invoice, bill-of-lading, inspection certificate and related documents. Upon receipt of these documents, Western States bills the purchaser at the price agreed upon at the time the offer was accepted. The invoice, the bill-of-lading with draft attached and other documents are then sent to the buyer's bank for payment.

Assorted and Mixed-Car Sales

To meet more effectively the trade's growing practice of making purchases in relatively small lots, Western States gives particular attention to the development of assorted-car and mixed-car business. Assorted car shipments include two or more varieties of dry beans, whereas mixed cars may contain one or more varieties of beans and also dry peas, lentils, and other farm products.

Western States maintains the stocks of the several varieties at Denver for assorted-car and mixed-car sales. Such stocks include not only Great Northerns, Pintos and Small Reds, supplied by the member cooperatives, but also such other varieties demanded by its customers as Standard and Baby



Automatic packaging machines in background pack Lima beans at California Lima Bean Growers Association, Oxnard. This cooperative supplies Limas for Western States' varied stocks of beans.

Limas, Pea Beans, Red Kidneys, Yelloweyes and Dry Peas. The latter are supplied respectively by the California Lima Bean Growers Association, Oxnard, Calif.; Michigan Elevator Exchange, Lansing, Mich.; Cooperative G. L. F. Marketing Association, Ithaca, N. Y.; and the Inland Empire Pea Growers' Association, Oakesdale, Wash.

The cooperative follows the same practice in billing buyers in this type of shipment as it follows in billing straight carloads.

Payment By Buyer

Just as Western States does all billing irrespective of the type of shipment, so too does it handle all collections. The buyer has the right to inspect the beans in the car upon arrival to determine whether they meet his specifications. If so, he notifies his bank and the draft is paid. In the event he concludes the beans are not what he ordered, the matter is subject to negotiation between him and the cooperative.

In the case of sales from consigned stocks, the broker pays the cooperative at the time such beans are withdrawn from the consignment.

Whether payment is for a straight car of beans shipped from the producer area by one of the member cooperatives, or an assorted or mixed car shipped from Denver by Western States, or for consigned stocks maintained at one of the distribution centers, considerable time elapses between the date of shipment and the receipt of remittance by Western States. At the outset, the member cooperatives provided the financing necessary for this simply by authorizing Western States to defer payment to them until it had received payment from the buyer. Since 1951, however, Western States' increased capital has enabled it to make payment to the member cooperatives at the time sales are made.

Warehouse

When it began operations in 1947, Western States leased office space and necessary storage accommodations in a building owned by Farmers' Grain and Bean Association, one of its member cooperatives. The latter made only a small charge for the office and performed the usual services incident to the storage, including labor, for which it made the customary warehousemen's charges. As the assorted and mixed-car business grew, thus requiring larger stocks at Denver and packaging operations on a more extensive scale, it became more and more apparent to the Board that Western States should buy its own warehouse building.

The Board decided in the latter part of 1953 to exercise its option to purchase the building. Plans are now being perfected to thoroughly modernize it, and a wholly automatic packaging machine has already been purchased and installed in the building.

Transportation

Dry beans are not easily damaged by temperature conditions or by handling. Neither do they require the use of refrigerated or special types of cars as do such farm products as meats, fruits or fresh vegetables. Consequently, Western States encounters few problems incident to the physical handling of its beans in transporting them to the various markets. The greater portion of its volume is shipped by rail, although a substantial quantity moves by truck each year. Most of Western States' shipments are in carload lots of a single variety, shipped by the member associations from their plants.

Since the buyer pays the freight, charges to the more distant distribution centers represent a significant part of bean costs. For example, the freight charge on a carload (70,000 pounds minimum weight) from Denver to Boston amounts to about $1,120; to Pittsburgh, Pa., $931; to Birmingham, Ala., $805; and to Ashland, Ky., $903.

Interior of joint sales agency warehouse—the Farmers Grain and Bean Association—at Denver.

Western States gives close attention to questions relating to transportation. The cooperative is thus able to render not only better service to the trade, but perform a more effective and economical job for its member cooperatives. The car routings, settlement of claims with railroads, keeping track of the movement of cars, and combining less-than-carlot orders to obtain full advantage of carlot rates are among important day-to-day chores performed by the cooperative's staff.

Dry beans have stoppage-in-transit privilege which is extended to most farm products by railroads. Thus, for a small additional charge over the original rate, shipments originating with one of the member cooperatives may be stopped at Denver for further bean processing before they proceed to their destination. Also, the cooperative is able to make assorted and mixed-car shipments to several buyers of relatively small quantities of beans at one or more destinations at the carload rate.

Sales Promotion

Consumption of dry beans is only about 8 pounds per capita; it has changed little in more than a decade. Competition is very keen between the several varieties of beans as well as between all dry beans and other food products. This means that the cooperative must persist in continuous, aggressive sales promotion programs to obtain its share of business at the several markets. Supplementing Western States' day-to-day telephone contacts with the marketing agencies, its manager makes periodic trips to the principal bean distribution centers to visit not only with current personnel of market outlets, but with prospective buyers as well.

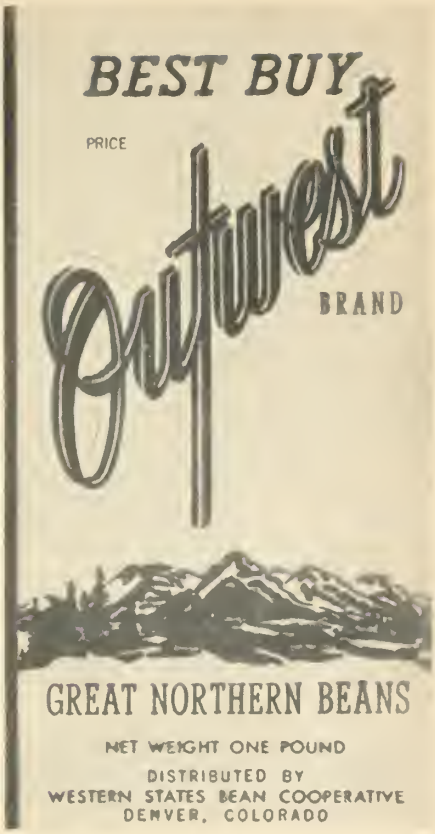
The cooperative issues a "Bean Bulletin" each week, written in an informal style. The "Bulletin" tells about the varieties and prices of

beans Western States has for sale. It discusses supply and demand conditions, reports important developments in the producing areas, and, from time to time, gives brief statements regarding the price support program relating to dry beans. The "Bulletin" is rather widely distributed among buyers and others at markets. Western States also sends sufficient copies to enable its member cooperatives to distribute them among the officers and directors.

Another Western States publication rather widely distributed is a recipe booklet containing old and new recipes for preparing and serving beans in the home. Also, to the extent its limited funds permit, Western States endeavors to stimulate greater demand for its beans by advertising in newspapers and on the radio.

In its sales promotion efforts, Western States places major emphasis upon its brand name OUTWEST to better acquaint the trade with its products and the name under which they are sold.

The cooperative's management is striving continuously for wider consumer acceptance of OUTWEST products and is placing increased emphasis upon promotional programs. It is endeavoring to include more extensive use of jobber tie-ins, local advertising and educational programs for the housewife with a view to encouraging more economical dishes, stressing food value and generally creating increased consumer interest in dry beans.



OUTWEST is Western States' trademark, used not only on Great Northern Beans, as shown, but on all beans. Promotional programs emphasize the brand name to stimulate wider consumer acceptance.

To the extent that such programs are effective, Western States will be able not only to lower its costs for promotional activities but stimulate cooperation among dealers handling its products.

Management

BECAUSE its member cooperatives operate in rather widely separated producing areas, Western States necessarily adopted a plan of management which would enable the joint sales agency to function with efficiency and dispatch. There is a board of directors of 12 members, an executive committee made up of the president, and vice-president of the association and one other member of the board, and the manager who is also secretary-treasurer.

Directors

The general supervision, management and control of the affairs of Western States are vested in the board of directors. The number of board members varies according to the membership, with each member association having two representatives on the board as authorized in the by-laws. At present there are 12 board members, two for each of the six member associations. Thus, in the directing of the association's affairs, each member has a voice equal to that of every other member.

The by-laws declare that each member of the board shall be either an officer, director, member, or a duly accredited representative of the member association which nominates him. At their annual meeting each member association elects two representatives as nominees for membership on Western States' board, and at its annual meeting, following those of the member associations, Western States formally elects these certified nominees to its board. Although neither the articles of incorporation nor by-laws require it, the representatives of the member associations at the meetings of Western States are identical with their respective members on its board of directors. Furthermore, the manager of each member association invariably has been chosen as one of its two directors on Western States' board. This has enabled the six associations to reflect any policy decisions more promptly and effectively in their day-to-day operations.

The board members serve until the next annual meeting or until the election and qualification of their successors. If a vacancy occurs during the year, it may be filled by the remaining board members. No one may become a member of the board if he is in competition with, or is affiliated with a concern that is competing with Western States.

The board meets quarterly at its offices in Denver. However, the by-laws provide it may meet at such other time and place as the board may determine. In recent years it has followed the practice of holding one board meeting each year at the headquarters of one of its member associations, or at least in such member's operating territory. A majority of the board constitutes a quorum at any meeting.

Except for Western States' officials who receive regular salaries, no director may receive compensation for more than 20 days in any one year, not including attendance at directors' meetings. The only compensation paid directors thus far are payments to cover costs and expenses for attendance at board meetings.

Western States' board follows the practice as provided in its bylaws of having a committee composed of at least 2 board members make a comprehensive study of the association's operations each year. The

Quarterly board meetings are sometimes held at one of the member associations' headquarters, such as the Minni Cassia Marketing Cooperative, Rupert, Idaho.

report is made primarily for the information of the board and of the auditor in making his annual audit. It contains detailed information regarding stocks, supplies and cash on hand, together with such other data as will enable the board to obtain a true picture of the present status of the association and its operations.

Executive Committee

Because of the time and expense involved in summoning board members to official meetings, Western States' board follows the practice of appointing an executive committee from among its members. The executive committee exercises supervisory control over the business of the association in the intervals between board meetings. At present the executive committee consists of the president, the vice-president and one other member of the board of directors.

General Manager

Under the general supervision and direction of the board, the manager conducts the operations of the association and is responsible for its efficient and economical operation. He employs personnel, supervises and directs the association; conducts the sales program; is responsible for building and maintaining good relations with buyers at the market centers; is responsible for the receipt and disbursement of funds of the association; arranges for loans when necessary; keeps member associations abreast of market conditions and performs various duties incident to day-to-day operations of the association. The present incumbent has served as manager since 1949, and before that he had served for many years as manager of one of the member associations.

Capital Structure

Since the organizers planned to sell the beans in 100-pound bags only, they believed that Western States' capital requirements would be quite limited. This would mean they could avoid the necessity of providing finances for processing, packaging, carrying stocks of beans at distribution centers, and engaging in merchandising activities generally.

The group envisioned the total amount the member cooperative should contribute toward operating capital as being about $20,000, and planned to borrow most of the additional funds needed for operations during the heavy marketing season. Accordingly, at one of the early meetings, a resolution was adopted to the effect that each member would be required to contribute $3,000 as his share of operating capital, such contribution to be made at the time of acceptance of an application for membership. This plan was followed in the case of the charter members and the one new member who has joined the association since it began operations.

Despite the rather conservative initial view of the group regarding Western States' financial needs, they included provisions in the articles and bylaws under which necessary operating capital could be obtained from members. It is fortunate this was done since the joint sales agency soon found it needed additional funds not only for prompt payment to the member cooperatives, but for general operating purposes. Members made additional contributions toward Western States capital for which they received either certificates of indebtedness or revolving fund certificates.

Certificates of Indebtedness

Such certificates are non-maturing and are issued to member cooperatives to cover their cash contributions, as and when they jointly determine such contributions to the operating capital are necessary for the effective operation of the cooperative. The certificates bear such rates of interest as the board of directors may determine, not exceeding 4 percent annually. It has been the board's policy to authorize the maximum interest rate on the certificates issued up to the present time.

In addition to their initial contribution to Western States' capital, for which certificates of indebtedness were issued, the member associations made another and more substantial contribution in 1951, for which certificates of indebtedness again were issued.

Revolving Fund Certificates

The bylaws state that all net margins at the moment of their receipt by the association are received with the understanding that they are furnished by the patrons as "capital" in pursuance of a plan under which the active patrons, members and non-members alike shall furnish the funds necessary for operating capital.

At the end of each year the association apportions the net savings to its members and non-members on a pro rata basis and makes refund to them either in cash or revolving fund certificates. Not more than 50 percent of the refund may be paid in cash in any one year.

The revolving fund certificates are issued in annual series and must be retired fully or on a pro rata basis, at the discretion of the board. The bylaws provide that such certificates shall not bear interest, and further that all debts, whether secured or not, shall be entitled to priority over all outstanding revolving fund certificates, in the event of dissolution or winding up the affairs of the association.

The association's new packaging machine is entirely automatic. This means substantial savings for labor in filling, weighing, and sealing the packages. Light weight packages are automatically rejected.

More Capital Required

As the association's volume of business has increased, so have its financial needs. At the outset much of the operating capital was indirectly supplied by the member cooperatives. They shipped beans as sales were made by Western States and waited for payment until after the buyer paid Western States. This became an increasing burden to the members.

Furthermore, Western States found it could do a much more effective selling job by carrying stocks of beans at some of the important centers of distribution. This tied up a sizeable sum of money through many months of the year. Then additional funds were needed to purchase limited quantities of beans outside the member associations for mixed car shipments. These needs plus the additional funds required for general operating purposes during the peak

Like other member cooperatives, the Big Horn Cooperative Marketing Association, Basin, Wyo., elects its manager as one of two representatives at Western States, which helps the cooperative reflect policy decisions effectively.

marketing season, resulted in a substantial increase of members' cash contributions to the capital fund of the association in 1951.

Western States was able also to obtain in 1951 a much larger line of credit with the Wichita Bank for Cooperatives. With the increased line of credit from the bank supplementing the greatly increased financial contributions of the members, the association is now in a vastly improved position to handle its expanding volume.

Membership

The bylaws declare that the members of Western States must be cooperative associations of bona fide producers of agricultural products and that they must agree to patronize the joint-sales agency.

The property rights and interests of each member association are unequal and are determined in the proportion that the patronage of each member bears to the total patronage of all members in a given year.

Each member association follows the practice of electing its manager as one of its representatives to the membership of Western States, and although it is not required in the bylaws, the representatives (members) are identical with the directors. This has proved exceedingly helpful in coordinating the operations of the member associations with Western States. It enables the six associations to reflect any policy decisions more promptly and effectively in their day-to-day operations.

Meetings—Voting

The annual meetings of the association are held in Denver on the first Friday in August each year. If the board so determines 60 days in advance of the regular date, the annual meeting may be held at some other time and place, such as the headquarters city of a member cooperative. There are advantages in holding meetings at other locations in the territory served by the association. In this way the member associations are able to gain a better understanding of the problems in the district where the meeting is being held and to see at first hand how operations of the various member associations are conducted.

Western States may hold special meetings at any time or place, as determined by the board. The bylaws contain the usual provisions with reference to purpose and place of such meetings. The cooperative has found it easy to meet as the necessity arose.

Only members may vote at association meetings. Voting rights are equal and no member may have more than one vote. Proxy voting is prohibited. However, members may vote by mail on specific questions other than on the removal of

directors. Two-thirds of the members constitute a quorum for the transaction of business at meetings of members.

A member association may withdraw from Western States by giving notice to that effect to the Secretary. Also, the Board may terminate a membership if it finds that the member has ceased to be eligible or is not observing his duties and obligations as a member.

In either case, the by-laws state that the board of directors shall equitably appraise the property rights and interests of such member and shall conclusively determine the amount of money which Western States shall pay to the member within one year in settlement of the account. It is provided further that such settlement shall in no way impair the obligations or liabilities of Western States or the member cooperative under any contract between them.

Business With Non-members

The association is authorized to do business with non-members, but the volume of non-member business may not exceed that done with members in any year. Non-members share in any savings affected by the association exactly the same as members. In actual practice, Western States handles non-member beans only to the extent necessary to round out mixed-car shipments and to make available to its customers varieties not produced by growers affiliated with the member cooperatives. At present, non-member business constitutes about 5 percent of Western States' volume each year.

National Federation of Bean and Pea Marketing Associations

Even before Western States was organized, some of the officials of the bean marketing cooperatives in the Intermountain states, along with leaders in other areas, were considering the possibility of organizing a national bean and pea marketing cooperative.

The increasing necessity for cooperatives having a complete line of the several varieties of dry beans, the demand for beans in consumer packages, and the buying practices of wholesalers were important in the development of the national program just as they were in the development of Western States on a regional basis. The success of the latter encouraged the cooperative groups to proceed with the development of their national program, although the various steps have been rather deliberately taken.

Problems of competition among the several varieties of beans, functions to be performed, locations for initiating operations, financing, and similar questions had to be thoroughly considered in developing the National program. This was done at meetings of the groups over a period of several years, until the National Federation of Bean and Pea Marketing Associations was formed in 1953 with headquarters to be established in Denver, Colo.

Members of the National Federation are Michigan Elevator Exchange, Lansing, Mich.; California Lima Bean Growers Association, Oxnard, Calif.; Cooperative GLF Marketing Service, Inc., Ithaca, N. Y.; and Western States Bean Cooperative, Denver, Colo.

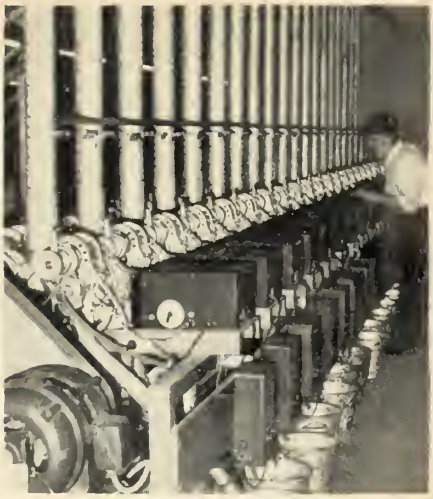
The National's objectives include: assistance to the member cooperatives in coordinating their marketing policies and practices; and supplying information to member cooperatives on storing, transport-

ing, marketing, and distributing dry beans and peas.

A significant feature in the new program is the plan to employ the manager of Western States Bean Cooperative as the National's manager. This means that the operating policies and practices which have contributed to the successful operation of Western States will be available also to the National to whatever extent the group may deem desirable and practicable.

The individual cooperatives in the group will continue to handle sales in their respective areas as in the past. At the outset, the National will supervise the operation of its program in the several locations in which it finally determines to operate. Tentatively, it plans to carry out the program in some 20 key markets. Sales will be made through a single marketing agency at these markets. For the most part, the new cooperative's peas and beans will be sold in package form, although some sales in bulk will be made. To facilitate filling orders promptly, limited stocks of all varieties of beans and peas will be carried at these selected markets.

The National association has acquired the brand name CASSEROLE which is already quite favorably known in the trade. Initially, CASSEROLE is to be used on beans in consumer packages. If and when the cooperative exercises its authority to engage in canning operations, it also plans to market its canned beans and peas under the brand name.



Each electric eye sorts 75 bushels of beans an hour at the Port Huron elevator of the Michigan Elevator Exchange, Lansing.

Although the National plans to proceed slowly in the development of the program, with a small volume handled jointly, the organization represents a significant forward step for its member cooperatives. They handle about 3½ million bags of beans and peas annually. A better coordinated sales program and the elimination of unnecessary costs in marketing should mean not only improved service to the producers, but more effective relationships at the markets.

Thus, a national program has been inaugurated which supplements and extends that of Western States Bean Cooperative, which has itself made increasingly good progress in its 7 years of operation.

Appendix

Dry Bean Production

The United States is third among the countries of the world in dry bean production, being surpassed only by Brazil and China. This country's bean crop amounts to about 14 percent of the world production each year, and is sufficient to supply not only domestic needs, but permits a substantial volume to be exported each year. During the past 8 years, for example, the average annual quantity of dry beans exported was in excess of 2.2 million bags. For the 10 years ending with 1953, the United States' average annual bean production was 17.3 million bags of 100 pounds each.

Table 1 shows the harvested acreage, yield per acre and dry bean production in the United States for the 20-year period, 1934–53. The highest production during the most recent 10-year period was 21,379,000 bags in 1949; the lowest, 13,091,000 bags in 1945. During this second half of the 20 year period, the average annual bean production showed an increase of more than 8 percent over that of the preceding decade. But while the average yield increased by 23 percent, the average annual acreage declined by about 10 percent. And in comparing the last 5 years of the 20-year period with the first 5 years, the increases in total production and yield are much greater—30 percent in production and 42 percent in yield. The decline in acreage is about the same.

Table 1.—*Harvested acreage, yield and production of dry beans in the United States, 1934–53*

Year	Acreage	Yield	Production
	1,000 Acres	*Pounds*	*Thousand bags uncleaned*
1934	1,461	780	11,399
1935	1,865	769	14,335
1936	1,626	727	11,821
1937	1,695	934	15,830
1938	1,643	956	15,704
1939	1,679	896	15,045
1940	1,903	890	16,945
1941	2,019	919	18,556
1942	1,925	986	18,987
1943	2,362	889	21,002
1934–43 average	1,817	874	15,962
1944	1,996	809	16,147
1945	1,487	880	13,091
1946	1,622	977	15,840
1947	1,778	971	17,268
1948	1,938	1,074	20,816
1949	1,885	1,134	21,379
1950	1,512	1,117	16,886
1951	1,408	1,232	17,341
1952	1,261	1,287	16,235
1953	1,398	1,296	18,114
1944–53 average	1,628	1,077	17,311

Commercial Classes

Some 15 commercial classes or varieties of dry beans are grown in this country. Eight varieties usually account for over 90 percent of the total U. S. crop. These are Pea Beans, Great Northerns, Small Whites, Pintos, Red Kidneys, Small Reds, Limas and Blackeyes. The relative importance of the several varieties is shown in Table 2 and the average annual production of the varieties, by states, is shown in Table 3.

Table 2.—*Production of dry beans in the United States by commercial classes, 1944–53*

	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
	Thousand bags of 100 pounds each—cleaned									
Pea & Med. White	4,422	2,687	3,814	3,074	4,481	5,304	3,356	4,072	3,412	3,630
Great Northern	2,477	2,481	3,440	3,554	4,091	3,168	1,724	1,484	1,927	1,834
Small White	464	390	360	514	734	640	466	736	540	560
White Marrow	50	46	45	55	140	69	96	101	136	103
White Kidney	13	5	9	10	11	9	16	17	19	22
Pinto	2,892	2,063	2,105	3,278	3,087	3,966	3,650	3,002	3,168	4,793
Red Kidney	570	555	1,231	1,111	1,759	1,389	1,123	1,344	1,421	1,290
Pink	281	269	333	453	556	634	336	534	393	449
Small Red	296	229	307	473	488	660	486	768	605	662
Cranberry	118	102	76	72	135	371	133	85	108	141
Yelloweye	111	70	87	89	111	145	124	146	180	193
Standard Lima	1,096	910	782	855	1,144	1,376	1,225	1,168	1,360	1,137
Baby Lima	961	1,007	1,055	1,058	984	1,272	1,132	798	430	639
Blackeye	404	407	392	638	1,087	318	611	918	647	767
Garbanzo	28	34	35	28	2	24	61	5	44	8
Other	861	695	631	567	610	545	616	701	620	533
Total	15,044	11,950	14,702	15,829	19,420	19,890	15,155	15,879	15,010	16,761

Table 3.—*Leading States in U. S. dry bean production, by commercial classes—10-year average, 1944 to 1953*

	New York	Michigan	California	Colorado	Idaho	Wyoming	Montana	Nebraska	New Mexico	Other States	United States
					Thousand bags of 100 pounds each—cleaned						
Pea & Med. White	228	3,542	-------	-------	28	-------	2	-------	-------	27	3,827
Great Northern	-------	-------	-------	3	876	708	165	863	-------	3	2,618
Small White	-------	-------	539	-------	-------	-------	-------	-------	-------	2	541
White Marrow	84	-------	-------	-------	-------	-------	-------	-------	-------	-------	84
White Kidney	13	-------	-------	-------	-------	-------	-------	-------	-------	-------	13
Pinto	-------	-------	78	1,816	530	239	25	110	305	97	3,200
Red Kidney	983	63	131	-------	-------	-------	-------	-------	-------	3	1,180
Pink	-------	-------	419	-------	-------	-------	-------	-------	-------	5	424
Small Red	-------	-------	45	-------	360	-------	-------	-------	-------	91	496
Cranberry	-------	114	20	-------	-------	-------	-------	-------	-------	-------	134
Yelloweye	22	54	-------	-------	-------	-------	-------	-------	-------	49	125
Standard Lima	-------	-------	1,105	-------	-------	-------	-------	-------	-------	-------	1,105
Baby Lima	-------	-------	934	-------	-------	-------	-------	-------	-------	-------	934
Blackeye	-------	-------	619	-------	-------	-------	-------	-------	-------	-------	619
Garbanzo	-------	-------	27	-------	-------	-------	-------	-------	-------	-------	27
Other	27	5	127	46	353	38	7	-------	3	28	634
Totals	1,357	3,778	4,044	1,865	2,147	985	199	973	308	305	15,961

U. S. Distribution

The several varieties of dry beans differ from each other in size, shape, color and flavor, and appeal to different tastes and preferences. The more common varieties, such as Pea Beans and Standard Limas have wide distribution. This is also increasingly true of Great Northerns and Pintos. Generally, however, white beans such as Great Northerns, are consumed more extensively in the Northern States, whereas Pintos and most other colored varieties are distributed principally in the South and Southwestern part of the country.

A survey of the wholesale distribution of dry beans[1] was made in 1940 by the Farmer Cooperative Service (then the Cooperative Research and Service Division of the Farm Credit Administration). Replies from some 1,500 wholesale grocers indicated that of the total quantity of Pintos handled during that year, over 45 percent were distributed in Arkansas, Louisiana, Oklahoma, and Texas. About a fourth of their combined volume of Great Northerns was distributed in the Central Western States.

Despite the fact that the survey was made more than a decade ago, the distribution pattern of Great Northerns and Pintos in the 10 leading trading areas is essentially the same today as that shown by the replies of the wholesale grocers. For example, in some markets where consumers preferred a particular variety the distribution of that variety frequently amounted to over half of the total bean distribution in that area. Thus, Great Northerns accounted for 76 percent of all the beans reported for the Sioux Falls, S. Dak., trading area, and accounted for more than half of the total reported for Wichita, Kans. Pintos claimed 60 percent of all beans reported for Lexington, Ky., as well as about 43 percent of the total reported for Dallas, Tex.

Trading area	Great Northerns	Great Northerns—percent of all beans	Trading area	Pintos	Pintos—percent of all beans
Nashville	54, 416	38	Dallas	60, 165	43
Memphis	36, 996	43	Galveston	59, 566	40
Oklahoma City	26, 747	28	Oklahoma City	35, 245	36
Wichita	25, 491	56	Lexington	35, 118	60
Chicago	25, 155	17	Nashville	31, 798	23
St. Louis	24, 837	28	Knoxville	29, 503	32
Sioux Falls, S. D	24, 725	76	Charleston, W. Va	28, 805	29

It should be pointed out that any city which is an important distributing center frequently serves an area extending considerably beyond the boundaries of the state or county in which it is located.

[1] Bain, H. M., Wholesale Distribution of Dry Beans and Canned Dry Beans During the Year Ended June 30, 1940. U. S. Farm Credit Adm. Misc. Rpt. 49. 32 pp. 1942.

Per Capita Consumption

The civilian use of dry beans is about where it was a decade or so ago; that is, a little over 8 pounds per capita. The highest per capita disappearance during the past 13 years was 11.0 pounds consumed in 1942; the lowest was in 1947 when only 6.4 pounds were used. Commercial exports have increased several fold since the early 40's.

Table 4 shows the distribution of dry beans by years for civilian use, the United States military, commercial exports, and for seed for the 13 years ending with 1953.

Table 4.—*Distribution of dry beans (cleaned) 1941–53 crop years*

Year	Civilian distribution	United States military[1]	Commercial exports and shipments to territories	Seed	Total
	Thousand bags, 100 pounds each				
1941	11, 669	2, 512	487	1, 523	16, 191
1942	11, 385	5, 046	781	1, 800	19, 012
1943	11, 040	7, 209	188	1, 735	20, 172
1944	9, 697	7, 436	396	1, 346	18, 875
1945	9, 805	1, 055	646	1, 307	12, 813
1946	10, 893	709	1, 405	1, 480	14, 487
1947	11, 532	2, 049	1, 295	1, 432	16, 308
1948	10, 944	1, 208	1, 332	1, 455	14, 939
1949	12, 819	208	1, 328	1, 401	15, 756
1950	13, 257	1, 650	1, 921	1, 657	18, 485
1951	12, 444	575	3, 866	1, 215	18, 100
1952	12, 376	636	3, 696	1, 365	18, 073
1953 [2]	12, 475	325	3, 000	1, 300	17, 100

[1] Include procurement for civilian feeding under military auspices as well as exports by U. S. Department of Agriculture.
[2] Agricultural Marketing Service. Unpublished data.

Table 5.—*Percentage distribution of dry bean volume purchased by months, 1948*

Month	Brokers-jobbers-distributors			Wholesalers			Canners		
	Great Northerns	Pintos	Small Reds	Great Northerns	Pintos	Small Reds	Great Northerns	Pintos	Small Reds
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
September	14.7	13.7	12.4	8.8	2.3	9.8	24.4	----------	8.0
October	12.3	20.6	23.0	8.5	18.8	6.9	----------	----------	8.4
November	8.0	16.8	18.2	9.0	2.2	9.8	2.1	42.2	8.7
December	5.6	7.5	13.2	8.0	2.2	6.9	----------	----------	7.5
January	8.6	5.8	11.0	9.5	2.3	9.8	29.7	23.0	9.8
February	5.3	6.8	5.1	8.2	11.5	6.9	----------	34.8	9.2
March	14.1	6.2	1.1	8.4	1.9	9.8	----------	----------	7.5
April	9.1	10.0	12.2	8.5	10.6	6.8	18.6	----------	8.6
May	11.1	7.9	2.2	8.2	3.8	9.8	.7	----------	7.6
June	5.2	3.3	1.1	7.2	4.1	6.9	24.5	----------	8.8
July	1.3	1.0	.5	7.7	11.7	9.7	----------	----------	7.6
August	4.7	.4	----------	8.0	28.6	6.9	----------	----------	8.3

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